

PROPERTY TAX APPEAL BOARD'S DECISION

APPELLANT: Meijer, Inc.
DOCKET NO.: 04-00614.001-C-3
PARCEL NO.: 22-19.0-103-001

The parties of record before the Property Tax Appeal Board are Meijer, Inc., the appellant; by attorney Robert J. Tonos of Fisk, Kart, Katz and Regan, Ltd., in Chicago, and the Sangamon County Board of Review.

The subject property consists of a 26.824-acre site improved with a one-story "big box" retail building that contains 185,275 square feet. The subject was constructed in 2000, using a reinforced concrete foundation and either concrete block or pre-cast, tilt-up concrete panels. The building has a flat roof that is pitched 1/3 toward the west and 2/3 toward the east, with clear ceiling heights from 16 to 20 feet. The front façade of the structure is constructed to appear like a small town shopping center which is typical for Meijer stores. Amenities include 10 exterior drive-in docks, several grade level doors, heating and cooling systems, two sets of customer restrooms, an employee restroom, 2,000 amp electric service, fluorescent lighting, a full sprinkler fire protection system and asphalt paving. The subject has a land to building ratio of 6.31:1 and is located on Conestoga Drive on the southwest side of Springfield, Illinois.

Through counsel, the appellant appeared before the Property Tax Appeal Board arguing the subject's fair market value is not reflected in its assessment. In support of this contention, the appellant submitted an appraisal of the subject in which all three approaches to value were employed in estimating a value for the subject of \$7,400,000 as of the effective date of January 1, 2004. The appraiser was not present at the hearing to provide testimony or be cross-examined regarding the methodology employed in preparing the report or final value conclusion.

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Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds a reduction in the assessment of the property as established by the Sangamon County Board of Review is warranted. The correct assessed valuation of the property is:

LAND:	\$ 884,838
IMPR.:	\$ 2,513,802
TOTAL:	\$ 3,398,640

Subject only to the State multiplier as applicable.

PTAB/MRT/9/18/07

The appellant's attorney did not present a case in chief, but instead, called the township assessor as an adverse witness. The attorney asked the assessor if the subject's land assessment is uniform with assessments of similar land. The assessor replied that to the best of his knowledge, it was. The attorney then called the board of review's appraiser as an adverse witness. The attorney questioned the appraiser regarding his calculation of the subject's replacement cost and depreciation, based on a depreciation analysis using two sales in the sales comparison approach. Based on this evidence, the appellant requested the subject's total assessment be reduced to \$2,466,667.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total assessment of \$3,503,383 was disclosed. The board of review objected to the appellant's appraisal due to the absence of the appellants' appraiser to provide testimony and be cross-examined. The Property Tax Appeal Board hereby overrules the objection and admits the appellant's appraisal into evidence, but finds the issue goes to the weight and credibility to be accorded the appraisal, due to the appraiser's absence.

In support of the subject's assessment, the board of review submitted an appraisal of the subject property prepared by J. Edward Salisbury, in which the appraiser utilized all three approaches in estimating a value for the subject of \$10,200,000 as of the effective date of January 1, 2004. The appraiser was present at the hearing to provide testimony and be cross-examined regarding the methodologies he employed in preparing the report. The board of review's representative called the appraiser as a witness to testify regarding his preparation of the report.

In the cost approach, the appraiser examined four land sales in determining the subject land's value at \$3,500,000. The appraiser used the Marshall Valuation Service to calculate a replacement cost new for the subject of \$7,983,564. Depreciation of 16%, or \$1,277,370, was subtracted, resulting in a market value for the improvements of \$6,706,194. After adding back the land value of \$3,500,000, the appraiser estimated the subject's value by the cost approach of \$10,200,000.

In the income approach, the Salisbury examined eight comparables with rents ranging from \$4.94 to \$7.48 per square foot. The appraiser adjusted the comparables for location, age, size and terms and determined a potential gross income of \$1,111,986. Vacancy and credit loss of 5% or \$55,599 and expenses of \$105,639 were subtracted, resulting in a net operating income of \$950,748. The appraiser selected a capitalization rate of 9%. After dividing the net operating income by the capitalization rate, the appraiser estimated the subject's value by the income approach at \$10,550,000.

In the sales comparison approach, the appraiser examined six comparables sales. The comparables were adjusted for sale date, location, building size, land size, age and condition. Based on these comparables, the appraiser determined a rate of \$55.00 per square foot for the subject, resulting in a value estimate by the sales comparison approach of \$10,200,000.

In his correlation of value, Salisbury placed most weight on the sales comparison approach because it reflects the actions of typical buyers and sellers in the market place. Based on this evidence the board of review requested the subject's total assessment be confirmed.

Under cross examination, the appellant's attorney questioned Salisbury regarding various aspects of the appraisal. The appraiser acknowledged several of the comparables in the income approach were sale leasebacks. The appraiser also acknowledged several comparables used in his sales comparison approach were in suburban Chicago, where there may be considerable differences in land values when compared to Springfield.

The board of review's representative then recalled Salisbury to discuss various issues, such as the geographic area considered in searching for comparables, the subject's building size and the difficulty of finding rental information for properties like the subject.

After hearing the testimony and considering the evidence, the Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of this appeal. The Property Tax Appeal Board further finds no reduction in the subject property's assessment is warranted. The appellant argued overvaluation as a basis of the appeal. When market value is the basis of the appeal, the value must be proved by a preponderance of the evidence. Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179, 183, 728 N.E.2nd 1256 (2nd Dist. 2000). After analyzing the market evidence submitted, the Board finds the appellant has failed to overcome this burden.

The Board gave no weight to the appraisal submitted by the appellant because the appraiser was not present to provide testimony or be cross examined regarding the appraisal methodology and value conclusion. The Board finds the best evidence in the record of the subject's market value is found in the board of review's appraisal prepared by Salisbury. The Board finds that, notwithstanding several questions raised about the report by the appellant's attorney, Salisbury's testimony adequately supported his report. Therefore, the Board finds the subject's market value is \$10,200,000 as of January 1, 2004. Since market value has been established, the three-year median

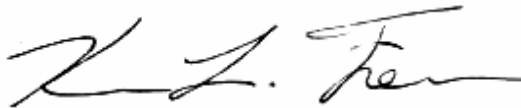
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level of assessments for Sangamon County of 33.32% shall apply, which results in a slight reduction in the subject's assessment.

This is a final administrative decision of the Property Tax Appeal Board are subject to review in the Circuit Court or Appellate Court under the provisions of the Administrative Review Law (735 ILCS 5/3-101 et seq.) and section 16-195 of the Property Tax Code.



Chairman



Member



Member



Member



Member

DISSENTING: _____

C E R T I F I C A T I O N

As Clerk of the Illinois Property Tax Appeal Board and the keeper of the Records thereof, I do hereby certify that the foregoing is a true, full and complete Final Administrative Decision of the Illinois Property Tax Appeal Board issued this date in the above entitled appeal, now of record in this said office.

Date: September 28, 2007



Clerk of the Property Tax Appeal Board

IMPORTANT NOTICE

Section 16-185 of the Property Tax Code provides in part:

"If the Property Tax Appeal Board renders a decision lowering the assessment of a particular parcel after the deadline for filing complaints with the Board of Review or after adjournment of the session of the Board of Review at which assessments for the subsequent year are being considered, the taxpayer may, within 30 days after the date of written notice of the Property Tax Appeal Board's decision, appeal the assessment for the subsequent year directly to the Property Tax Appeal Board."

In order to comply with the above provision, YOU MUST FILE A PETITION AND EVIDENCE WITH THE PROPERTY TAX APPEAL BOARD WITHIN 30 DAYS OF THE DATE OF THE ENCLOSED DECISION IN ORDER TO APPEAL THE ASSESSMENT OF THE PROPERTY FOR THE SUBSEQUENT YEAR.

Based upon the issuance of a lowered assessment by the Property Tax Appeal Board, the refund of paid property taxes is the responsibility of your County Treasurer. Please contact that office with any questions you may have regarding the refund of paid property taxes.